Payment of DA to Central Government employees drawing more than Rs. 3500/- P.M.

881. SHRIMATI MIRA DAS: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken any decision in regard to payment of DA to Central Government employees drawing pay of more than Rs. 3500/- p.m.;

(b) if so, what are the details in this regard; and

(c) if not, by when a decision is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE): (a) to (c) The matter regarding grant of additional instalment of Dearness Allowance due as on 1-7-91 to the Central Government employees drawing pay above Rs. 3500/- p.m. is still under consideration of the Government.

882. [*Transferred to the 5th March, 1992*]

Strengthening the functions of SEBI

883. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether Government are enacting over-regulations for strengthening the functions of Securities and Exchange Board of India; and

(b) what measures Government contemplate, as suggested by Narasimham Committee, to reduce the discretionary authority?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) The President has promulgated the Securities and Exchange Board of India Ordinance, 1992 on 30th January, 1992. The Ordinance mainly provides for the establishment of SEBI to protect the interests of investors in securities and to promote the development of and to regulate, the securities market. Various powers and functions have been provided to SEBI under the Ordinance. Further, the Ordinance has amended Section 10 of the Capital Issues (Control) Act, 1947 to provide for delegation of any power or duty under the Act also to SEBI. The replacement Bill for the Ordinance is being introduced in the Lok Sabha.

High powered committee to look into Bank fraud cases

884. SHRI KRISHNA KUMAR BIRLA:

DR. JINENDRA KUMAR JAIN:

SARDAR JAGJIT SINGH AURORA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that with the incidents of bank frauds having risen to alarming proposition in the country, Government had set up a high powered committee to find out ways and means to tackle the problem;

(b) if so, what is the percentage of rise in the bank fraud cases (showing amount involved) during 1991 as against the fraud cases in 1994;

(c) what are the terms of reference of the high powered committee; and

(d) what are the findings/suggestions of the high powered committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) On the advice of Government, Reserve Bank of India (RBI) has appointed a committee under the Chairmanship of Deputy Governor of RBI on 3rd October, 1991 to enquire into various aspects of frauds and malpractices in banks.

(b) RBI has not yet received information about number and amount of frauds detected in commercial banks during October to December 1991. A

comparison of bank frauds at the end of 1990 and 1991 can not, therefore, be made. The total number of bank frauds in respect of all commercial banks in India (including their foreign branches) in 1990 was 1797 involving an amount of Rs. 11014.98 lakhs + $ 7500 + SHS459787. The number of frauds in 1991 upto September (latest available) was 1288 involving an amount of Rs. 4722.30 lakhs + $ 8000. A comparison of number and amount of frauds for the period January to September 1990 (1357 frauds involving Rs. 7924.30 lakhs + $ 7500 + SHS 4597787) and for January to September 1991 shows a declining trend in number of frauds by 5.08% and in amount by about 40.41%.

(c) The terms of reference of the Committee are as under:

(i) To look into the growing incidents of bank frauds — reasons — identification and remedial measures therefor.

(ii) To examine the adequacy of the existing system of periodical/surprise inspection and audit with special reference to receipt of control returns —action taken thereon.

(iii) To investigate the adequacy of the existing vigilance machinery in banks—suggestions to improve.

(iv) The Committee will advise on the means of ensuring better co-ordination between Reserve Bank of India. Government, Central Bureau of Investigation and Central Vigilance Commission, keeping in view the existing system and possible improvements thereof.

(v) The Committee will make recommendations on any other related matter the Committee considers germane to the subject of enjuiry.

(d)The Committee appointed by RBI has not yet submitted its report.

All India Private Sector Banks Forum's opposition to Narasimham Committee report

885. DR. RATNAKAR PANDEY: Will the Minister of FINANCE be pleased to state:

(a) whether the All India Private Sector Banks' Forum has opposed the recommendations of the Narasimham Committee that foreign banks be permitted to freely open their branches in the coutnry;

(b) if so, what are the details thereof; and

(c) what is the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Government have not received any memorandum from Forum of All India Private Sector Banks opposing the recommendations of Narasimham Committee.

(b) and (c) Do not arise.

Differences between World Bank and Government on pace of reforms in financial sector

886. SHRI MENTAY PADMANABHAM: Will the Minister of FINANCE be pleased to state:

(a) whether there are any differences between Government and the World Bank over the pace of reforms in the financial sector; and

(b) if so, what are the details in this regard with reference to the Narasimham Committee Report?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) The Government constituted the Narasimham Committee to make recommendations for reforms in the financial sector. The recommendations are under consideration of the Government and Government has announced that recommendations which are accepted will be implemented in a phased manner. The